



Association of Indiana Counties Budget & Finance Webinar

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April 18, 2013**



Agenda

- 2013 Status Update
- 2014 Budgets
 - 2014 Budget Preparation
 - 2014 Timeline
 - Non-Binding Recommendations
 - Binding Adoption
 - The “Flaming Hoops” of Budgeting
- Budget Analysis
 - County-Wide Analysis
 - Comparative Analysis



2013 Status Update



2013 Budget Orders and Billing

- 2013 Certified Budget Orders
 - 62 budget orders certified by February 15.
 - 91st budget order certified March 20.
- On-Time Billing
 - 91 counties with a May 10 due date.



2014 Budgets



2014 Budget Preparation

- It's already time to be thinking about Pay 2014!
- Joint effort by a number of county officials will be required to ensure continued success into 2014.



2014 Budget Preparation

- Ways to prepare now:
 - Create a calendar of key dates throughout the budget process.
 - Take action early!
 - Review Gateway documentation and user guides.
 - Start working with Department heads on their budget requests for 2014.



2014 Timeline

- April 1, 2013
 - Sales data submission to the Department's Data Division.
 - First step in the process as sales data must be compliant before a ratio study can be reviewed and approved.
 - As of April 15, 2013, 67 sales submissions are compliant out of 77 submissions.



2014 Timeline

- May 1, 2013
 - Recommended date for ratio study submission to the Department's Assessment Division.
 - As of April 15, 2013, 7 ratio studies have been approved out of 12 submitted.



2014 Timeline

- June 28, 2013
 - Settlement date for the May tax collections.
 - First six months' fund balances and operating results available.
 - Can start to complete the Current Year Financial Worksheet on Gateway.
- July 1, 2013
 - Deadline for roll and balance of gross assessed values from county assessor to county auditor.



2014 Timeline

- July through August
 - Department-conducted budget workshops will be held in each county.
 - Field rep will be available to meet with each taxing unit in the county to assist in preparing the 2014 budget.
 - Prior to attending workshops, please create a proposed calendar to allow you to meet all statutory deadlines.



2014 Timeline

- July 15, 2013
 - Redevelopment commissions must file a letter indicating any available TIF surplus.
 - TIF Passthrough
 - AV of TIF Released
- In advance of certification of net assessed values, county auditor prepares and submits TIF Neutralization worksheets to the Department.
 - Upon approval, be sure to apply the neutralization factor within your system.



2014 Timeline

- August 1, 2013
 - Deadline to submit 2013 Pay 2014 net assessed values to the Department through Gateway.
- Pay 2013 Submission Stats
 - By August 1: 4 Final NAVs submitted
 - By September 1: 23 Final NAVs submitted
 - By October 1: 41 Final NAVs submitted
 - By November 1: 61 Final NAVs submitted



2014 Timeline

- August 1, 2013
 - Prior to submission, determine appropriate amount of AV withholding to provide sufficient “cushion” for deduction filings through the end of the year.
 - If you need to withhold more than 2% of net AV within any taxing district, you must submit a request to the Department prior to certification.



2014 Timeline

- September 3, 2013
 - Deadline for taxing units to submit necessary information to county council or city/town fiscal body for non-binding recommendation or binding adoption.
 - Submission expected to be done through Gateway this year.
 - It is the taxing unit's responsibility to submit this information by the deadline.



2014 Timeline

- September 13, 2013
 - Last day for first publication of proposed 2014 budget, levy and notice to taxpayers of public hearing (Budget Form 3).
 - At least 10 days before public hearing.
 - For units subject to binding adoption, the appropriate fiscal body is responsible for the proper publication of the notice.



2014 Timeline

- September 20, 2013
 - Last day for second publication of proposed 2014 budget, levy and notice to taxpayers of public hearing (Budget Form 3).
 - At least 3 days before public hearing and at least 7 days after first publication.



2014 Timeline

- October 1, 2013
 - Last day for county fiscal body to complete non-binding recommendations to taxing units on proposed 2014 budgets, levies and tax rates.



2014 Timeline

- October 22, 2013
 - Last possible day for taxing units to hold a public hearing on the 2014 budget.
 - Must be held at least 10 days before the budget adoption.



2014 Timeline

- November 1, 2013
 - Last possible day for budget adoption
- Submission of budget forms through Gateway must occur within 2 days after budget adoption.



Non-Binding Recommendations

- Taxing units included
 - Any taxing unit (other than the county unit) that is not subject to binding adoption of its proposed budgets and levy by an appropriate fiscal body.
 - Taxing units with elected fiscal bodies/boards
 - Libraries with an appointed board where the growth in the proposed budget is less than the AVGQ



Non-Binding Recommendations

- Information to be provided by taxing unit that proposes to levy a property tax in the ensuing year.
 - Proposed budget, levy and tax rate for non-school units
 - Proposed levy and tax rate for schools



Non-Binding Recommendations

- County responsibilities – Non-School Units
 - Review the proposed budgets, levies and tax rates for the taxing unit.
 - Must issue a recommendation regarding the taxing unit's proposed budgets, levies or tax rates.
 - Must include comparison to Indiana AVGQ and the county's average increase in nonfarm personal income for the preceding six years.
 - Must include comparison to increases in the budgets and tax levies of other taxing units in the county.



Non-Binding Recommendations

- County responsibilities – Schools
 - Review the proposed levies and tax rates for the school.
 - No recommendation is required.



Non-Binding Recommendations

- If the taxing unit fails to file the necessary information by September 3, the taxing unit will receive its most recent annual appropriations and tax levies.
- If the county council fails to perform both the review AND recommendation by October 1, the county will receive the most recent annual appropriations and tax levies.



Binding Adoption

- Units subject to binding adoption
 - Taxing units with appointed boards (majority of board unelected)
 - Libraries with appointed boards with growth in the proposed budget which exceeds the AVGQ
- Proposed budget and levy must be submitted to the appropriate fiscal body by September 3, 2013.
- Appropriate fiscal body is responsible for publishing the required notice of proposed budgets and levies and notice of public hearing, though taxing unit is responsible for paying for this notice.



Binding Adoption

- Appropriate fiscal body must conduct the public hearing for the taxing unit.
- Appropriate fiscal body must adopt the final budget and tax levy for the taxing unit.
 - Fiscal body may reduce or modify but not increase the proposed budget or tax levy.
- Appropriate fiscal body officer (County Auditor in the case of county council) serves as the submitter of the budget forms through Gateway.
 - Email gateway@dlgf.in.gov to get submission rights if needed.



The “Flaming Hoops” of Budgeting





The County Budget

- Publication of Form 3
 - Dates
 - First publication no later than September 13.
 - First publication must be at least 10 days before public hearing.
 - Second publication no later than September 20.
 - Second publication must be at least 3 days before public hearing and at least 7 days after the first publication.
 - If the Form 3 is not published twice according to these deadlines, the Department is required to continue your prior year budgets and levies.



The County Budget

- Publication of Form 3
 - Dates
 - If you notice that the first ad does not run on its proper date, work with the newspaper to ensure proper publication of second ad.
 - If there is sufficient time, restart the process with a new date of publication for the first ad so you have two successful advertisements.



The County Budget

- Publication of Form 3
 - Content – Public Hearing Date
 - The Form 3 sets the public hearing date.
 - It is highly important that the public hearing is properly held on the date advertised.
 - Holding the public hearing on a different date than the date published can result in a continuation of prior year budgets and levies.



The County Budget

- Publication of Form 3
 - Content – Budgets and Levies
 - The budgets and levies advertised set a ceiling in the amount the Department can approve.
 - Ensure your advertisement has accurate values, especially for levies.



The County Budget

- Adoption Meeting
 - Adoption must be completed no later than November 1.
 - At the adoption meeting, council members should sign the Form 4 – the budget ordinance.
 - Ensure that budgets, levies and rates on the Form 4 are correct for all funds.
 - Ensure each council member signs the form and checks the appropriate box indicating their vote.



The County Budget

- Adoption Meeting
 - Adoption meeting date is advertised on the Form 3.
 - If the meeting date needs to be changed, there are a couple of options:
 - Call the original advertised adoption meeting to order and then continue it publicly to another date. Document continuation in minutes.
 - Advertise for the adoption meeting on a different date. Ensure that the advertisement is clear that the meeting will be for the budget adoption.



Non-Binding Reviews

- County council must complete its review and issue a recommendation (if applicable) by October 1.
 - Non-school units – Review and provide recommendation.
 - Schools – Review only.



Binding Adoptions

- For those units for which the county council must do a binding adoption, the best advice is to treat those units as though they were the county unit.
- You must do everything correctly for these units, in the same way you must do everything correctly for the county unit.



Binding Adoptions

- Same categories of “flaming hoops”:
 - Form 3
 - This is big one.
 - It is the county’s responsibility to ensure proper publication for units for which it completes a binding adoption.
 - Improper publication = continuation for both the unit and the county.
 - Public Hearing
 - Adoption Meeting



Budget Analysis



County-Wide Analysis

- Counties are in a unique position in that you receive proposed budget information from other taxing units during the non-binding review process.
- This data can be used to facilitate some comprehensive analyses of what is going on in your county in terms of levies and tax rates.



County-Wide Analysis

- Towards the start of the budget season, the county may want to convene a financial “summit” of the taxing units in the county.
- Use this as an opportunity to lay out the county-specific deadlines and criteria for non-binding review.
 - Level of accuracy for the proposed budgets.
- Identify other data that may be helpful during non-binding review.
 - Purpose of new debt.
 - Explanation of proposed levy increases above AVGQ.



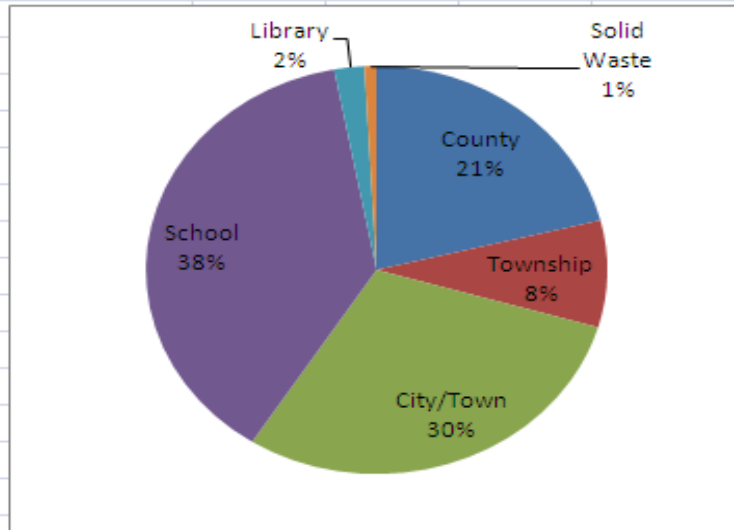
County-Wide Analysis

- As data is received from taxing units, the county can use this data to compute anticipated impacts by taxing unit and taxing district.
 - For each taxing district, identify the included taxing units and the proposed tax rate for each unit.
 - Compare to current year tax rates.
 - Compare to current year allocation between taxing units.
 - Identify reasons for changes.
 - For taxing districts which have circuit breaker impact, how might the change in tax rate impact the circuit breaker impact?

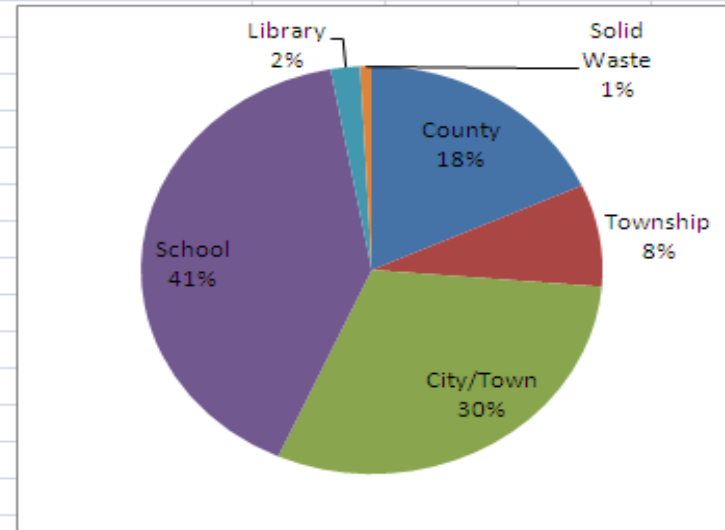


County-Wide Analysis

	A	B	C	D	E	F	G	H	I
1	Sample Analysis								
2		2013	2014	%					
3	Unit	Actual	Proposed	Change	Notes				
4	County	0.5000	0.4500	-10.00%	Using fund balances				
5	Township	0.2000	0.2000	0.00%					
6	City/Town	0.7000	0.7500	7.14%	Cumulative fund re-established				
7	School	0.9000	1.0000	11.11%	New debt - school building				
8	Library	0.0500	0.0510	2.00%					
9	Solid Waste	0.0200	0.0200	0.00%					
10									
11	Total Tax Rate	2.3700	2.4710	4.26%					
12									



2013 Actual



2014 Proposed



County-Wide Analysis

- If you or your staff would like to learn more about using Microsoft Excel for doing this type of analysis, the Department has two Excel presentations available on our webpage.
- [http://www.in.gov/dlgf/files/120821 -
Bussis Presentation - Excel Excellence - Beginner.pdf](http://www.in.gov/dlgf/files/120821-_Bussis_Presentation_-_Excel_Excellence_-_Beginner.pdf)
- [http://www.in.gov/dlgf/files/Excel Excellence-
Intermediate.pdf](http://www.in.gov/dlgf/files/Excel_Excellence-Intermediate.pdf)
- These presentations were given at the County Assessor's Conference in August 2012.
- While you won't have the sample data, many of the tasks are broken down enough to where you can apply them in a spreadsheet you have.



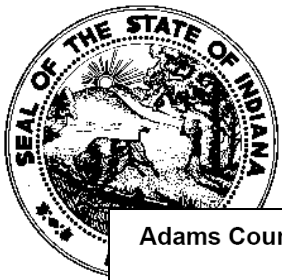
Comparative Analysis

- Another category of analysis that may be helpful is comparative analysis across units.
- While this may be most useful within the same unit type (county-to-county), there are many items for which you can also compare across unit types (technology, road and streets, etc.).
- To do this type of analysis, you can use data that is publicly available on Gateway.
 - <https://gateway.ifionline.org/>
- Gateway contains both budget information and actual expenditures.



Comparative Analysis

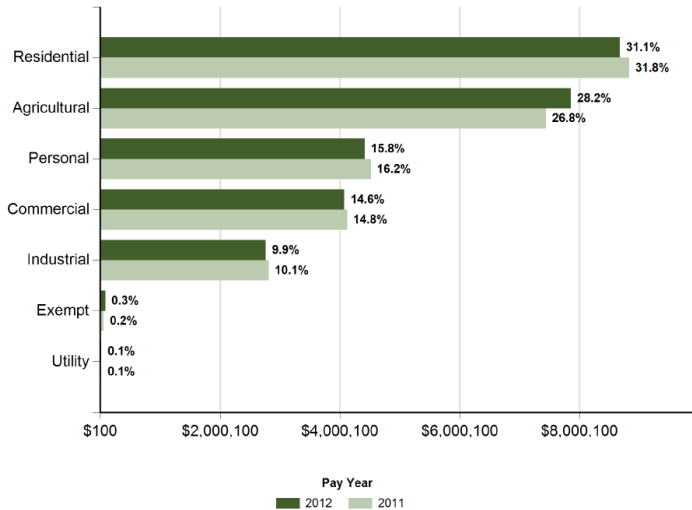
- Possible analyses across counties:
 - Funding for particular services (ex. reassessment fund)
 - Outstanding debt
 - Receipts – budgeted and actual
 - Employee compensation
 - Fund balance (Line 11) as % of total budget (Line 1)
- Prepared analysis:
 - Property Tax Summaries
 - Under the Report Builder, select “Property Tax”.



Comparative Analysis

Adams County

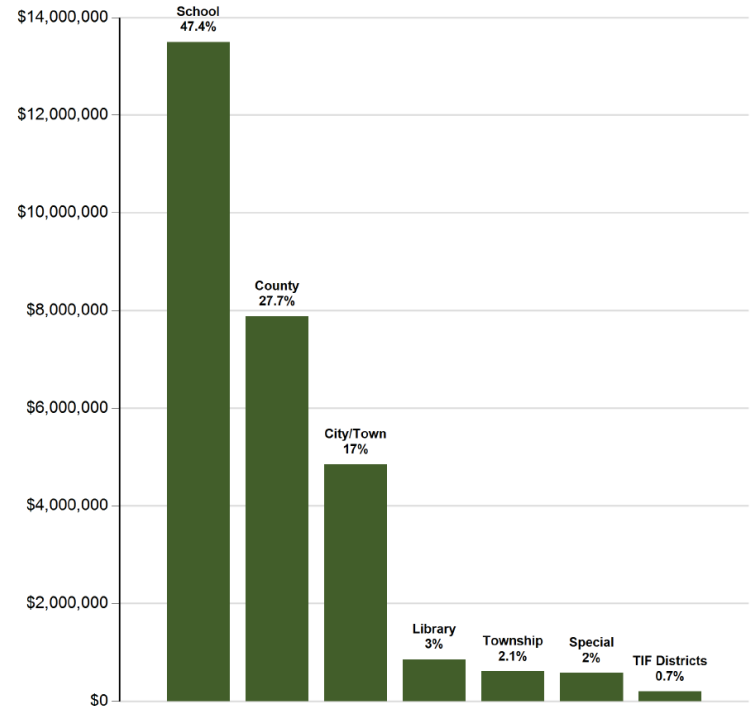
Who Pays Property Taxes



Source	2012	% Total	2011	% Total
Residential	\$8,675,056	31.1%	\$8,833,121	31.8%
Agricultural	\$7,857,453	28.2%	\$7,441,956	26.8%
Personal	\$4,417,705	15.8%	\$4,516,670	16.2%
Commercial	\$4,075,540	14.6%	\$4,121,310	14.8%
Industrial	\$2,764,427	9.9%	\$2,811,253	10.1%
Exempt	\$84,345	0.3%	\$55,066	0.2%
Utility	\$17,296	0.1%	\$17,572	0.1%

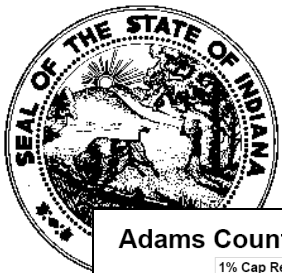
Adams County

Who Receives Property Taxes



Source	2012	% Total
School	\$13,495,512	47.4%
County	\$7,878,328	27.7%
Cities/Towns	\$4,845,896	17.0%
Library	\$855,055	3.0%
Township	\$608,020	2.1%
Special Districts	\$576,750	2.0%
TIF	\$197,019	0.7%

How Much is Received in Circuit Breaker Credits

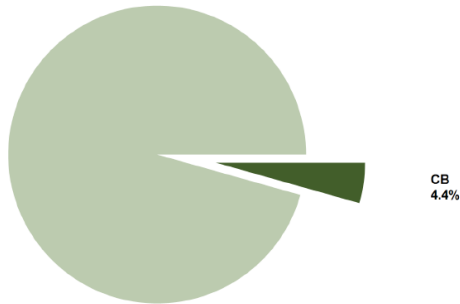


Comparative Analysis

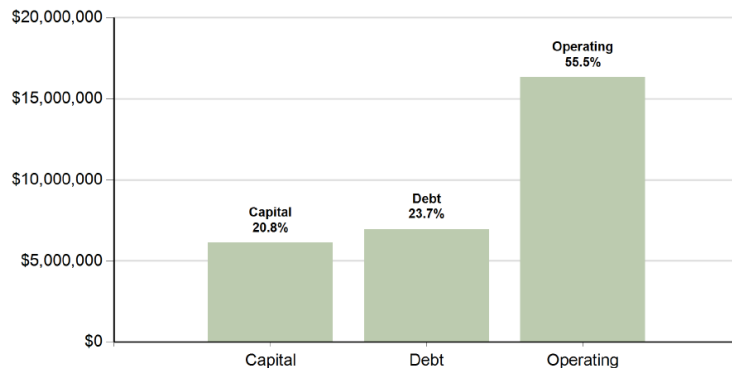
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1% Cap Recipients	2% Cap Recipients	3% Cap Recipients	65+ Cap Recipients	All CB Classifications
\$463,592	\$788,637	\$11,092	\$28,765	\$1,292,086

Circuit Breaker Credits as a Percent of Certified Levies



How Unit Budgets are Apportioned



Source	2012	% Total
Capital	\$6,118,727	20.8%
Debt	\$6,954,364	23.7%
Operating	\$16,326,431	55.5%

Property Tax Levies by Unit Within County

Adams County

Unit Name	2012 Levy	2011 Levy	Percent Change
Adams County	\$8,133,540	\$7,744,911	5.0%
Berne Public Library	\$362,430	\$342,198	5.9%
Blue Creek Township	\$21,235	\$20,572	3.2%
French Township	\$23,475	\$22,727	3.3%
Hartford Township	\$33,963	\$32,938	3.1%
Jefferson Township	\$23,073	\$22,347	3.2%
Kirkland Township	\$47,126	\$46,410	1.5%
Monroe Township	\$21,692	\$56,179	-61.4%
Preble Township	\$41,659	\$40,341	3.3%
Root Township	\$66,028	\$63,667	3.7%
St. Marys Township	\$35,369	\$34,313	3.1%
Union Township	\$41,133	\$39,616	3.8%
Wabash Township	\$55,067	\$53,041	3.8%
Washington Township	\$212,795	\$206,205	3.2%
Adams Central Community School Corp	\$2,755,731	\$3,043,223	-9.4%
North Adams Community School Corp	\$7,305,281	\$7,523,952	-2.9%
South Adams School Corporation	\$3,913,978	\$3,771,369	3.8%
Adams Public Library System	\$568,871	\$550,788	3.3%
Decatur Civil City	\$3,469,685	\$3,373,161	2.9%
Berne Civil City	\$1,116,650	\$1,117,611	-0.1%
Geneva Civil Town	\$489,153	\$475,328	2.9%
Monroe Civil Town	\$178,221	\$173,402	2.8%
Adams County Solid Waste Management	\$595,433	\$576,219	3.3%
Total	\$29,511,588	\$29,330,518	0.6%



Contact the Department

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- Web site: www.in.gov/dlgf
 - “Contact Us”: www.in.gov/dlgf/2338.htm.